

BEFORE THE
POSTAL REGULATORY COMMISSION
WASHINGTON, D.C. 20268-0001

MAIL PROCESSING NETWORK RATIONALIZATION
SERVICE CHANGES, 2011

Docket No. N2012-1

**RESPONSES OF THE UNITED STATES POSTAL SERVICE
TO QUESTIONS 5 THROUGH 10
OF PRESIDING OFFICER'S INFORMATION REQUEST NO. 4**

The United States Postal Service hereby files the following responses to the following questions submitted as part of Presiding Officer's Information Request No. 4, dated February 21, 2012:

- responses of witness Martin (USPS-T-6) to questions 5-8;
- institutional response to question 9, redirected from witness Rachel (USPS-T-8); and
- response of witness Elmore-Yalch (USPS-T-11) to question 10.

Responses to remaining questions are forthcoming.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

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February 21, 2012

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TO PRESIDING OFFICER'S INFORMATION REQUEST NO. 4**

5. Please refer to the Responses of the United States Postal Service to Questions 2(b), 9, 10, 12 and 15(l) of Presiding Officer's Information Request No. 1.
 - a. Please refer to the response to question 9(b).
 - i. Please provide a description of the methodology for obtaining the 30.5 percent weighted average reduction in plant-to-plant transportation capacity and a copy of the spreadsheet or program where the calculation is performed, including all supporting details used.
 - ii. Please reconcile the difference in the total number of "potential trips eliminated" for the Eastern Area provided in the response to question 9(b), with the number provided in LR-USPS-N2012-1/1,1 Excel file "Transportation Spreadsheets LR," worksheet 'Plant to Plant Summary.'
 - b. Please refer to the response to question 10. Please provide all plant-to-plant surface transportation trips, and all information for each trip in the same table format as Excel file "Attach.Resp. POIR1.Q10," worksheet 'plant to plant Trips'.

RESPONSE:

- (a) Please see the responses below.
 - (i) The methodology used for determining which plant-to-plant trips could be eliminated from the rationalized network is provided in my testimony (USPS-T-6, at 9) and in my response to interrogatory GCA/USPS-T6-1. Because the number of trips in the transportation network varies by area, I calculated the weighted average by area. Please see the calculations in the spreadsheet attached to this response, labeled "AttPOIR4.Wght.Avg.PTP.PTPO (Martin).xls".
 - (ii) The table "Plant-to-Plant Summary" in USPS-LR-2012-1/11 and the table provided in response to Question 9 of the Presiding Officer's Information Request No. 1 contain typographical errors. The tables should show that the number of potential trips that could be

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RESPONSE TO QUESTION 5 (CONT.):

eliminated from the Eastern Area is 143. The Postal Service will file appropriate errata to my testimony and to any response to an interrogatory or question from the Presiding Officer that is impacted by the typographical errors.

- (b) Library Reference USPS-LR-N2012-1/11 includes a spreadsheet titled "Plant to Plant Trips" which contains the following information for 322 routes and each of the 1723 trips that comprise those routes: area, HCR id. no., trip no., annual frequency of the trip, origin, locations of the stops on the trip, destination, trip miles, trip purpose (expressed in terms of the mail class transported on the trip), and the utilization percentage of the trip. This information was compiled by reviewing each Highway Contract Route schedule and manually inputting the relevant data from those schedules into an Excel spreadsheet. (Each schedule contains one route.) The routes reflected in the spreadsheet represent a subset of the routes that currently comprise the transportation network.

In response to Question 10 of Presiding Officer's Information Request No. 1 (POIR No. 1), dated December 29, 2011, I provided the following additional information for each route included in the Plant to Plant Trips spreadsheet: annual cost and an indicator as to whether the trip was a "candidate for elimination." To produce this response, I had to manually input the requested data for the trips that were included in the Library Reference. The work product was provided in a file attached to

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RESPONSE TO QUESTION 5 (CONT.):

the response, labeled "Attach.Resp. POIR1.Q10.xls." Currently, there are approximately 1,550 plant-to-plant routes in the transportation network. Providing all of the information sought by this question would entail an analysis of many thousands of trips.

Additionally, Question 5(b) presupposes (inaccurately) that each surface transportation trip that will form part of the rationalized network has been identified by the Postal Service. Currently, the Postal Service is conducting Area Mail Processing ("AMP") consolidation reviews on selected mail processing facilities. See USPS-T-6, at 5. Each AMP review will include an evaluation of the available transportation between the gaining and losing facility, how such transportation should be adjusted, and any consequent increases or decreases in transportation costs. Until postal management issues a final decision to consolidate a specific facility, any study that has been generated as part of a consolidation review is subject to review, reevaluation, modification, and possibly withdrawal. Because the Postal Service has not made final decisions with respect to the vast majority of AMP reviews associated with this docket, and because the design of the transportation network (including the plant-to-plant portion of the network) is dependent upon the outcome of such final decisions, it not possible to provide a response to Question 5(b) that is both complete and final at this time.

To provide as much of the requested information in the most

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RESPONSE TO QUESTION 5 (CONT.):

expeditious manner possible, I obtained data from the Transportation Contracting Support System ("TCSS"). This enabled me to produce a spreadsheet that is similar to the one I filed in response to Question 10 of POIR No. 1. The spreadsheet is contained in Library Reference USPS-LR-N2012-1/65 and is labeled "Resp.POIR4.Q5b (Martin)". The spreadsheet is different from the one filed in response to Question 10 because the information on trip stops is presented vertically rather than horizontally. For example, for HCR Id. No. 22611, Trip "10" is listed three times. This means that this specific trip has three stops (including its destination).

Additionally, the spreadsheet does not indicate the purpose and utilization of the trip or whether the trip is a candidate for elimination because those data do not reside in the TCSS database. The Postal Service anticipates that all final decisions concerning the AMP reviews associated with this docket will be announced by postal management in mid to late February, 2012. The Postal Service will update the record with information indicating the purpose and utilization of the trip and whether the trip is a candidate for elimination within a reasonable time after those announcements.

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6. Please refer to the Response of the United States Postal Service Witness Martin to question 11 of Presiding Officer's Information Request No. 1.
 - a. Please provide a description of the methodology for obtaining the 14.32 percent weighted average reduction in operating miles of plant-to-post office transportation and a copy of the spreadsheet or program where the calculation is performed, including all supporting details used.
 - b. Please provide all current and proposed plant-to-post office routes and trips for all Areas in table format. For each route and/or trip, please include Area, origin post office/facility, destination post office/facility, stops, current mileage, current trip frequency, current cost, proposed mileage, proposed trip frequency, and proposed cost.

RESPONSE:

- (a) To estimate the percentage reduction in plant-to-Post Office operating miles I analyzed the transportation portions of the fourteen (14) AMP studies contained in library references USPS-LR-N2012-1/27 and USPS-LR-N2012-1/NP8. I added the current operating miles in the gaining and losing facilities to get the total current operating miles. I then added the proposed operating miles in the gaining and losing facilities to get the total proposed operating miles. Finally, I subtracted the current operating miles from the proposed operating miles to determine the reduction in operating miles for that AMP. Please see the calculations in the spreadsheet attached to this response, labeled "AttPOIR4.Wght.Avg.PTP.PTPO (Martin).xls".
- (b) For the reasons discussed in my response to Question 5(b) of Presiding Officer's Information Request No. 4 (POIR No. 4), I am unable to provide information on the proposed mileage, proposed trip frequency, and proposed cost of routes in the rationalized network at this time. The

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RESPONSE TO QUESTION 6 (CONT.):

Postal Service will update the record with this information within a reasonable time after the final AMP decisions discussed in my response to Question 5(b) are announced. The responsive information for all plant-to-Post Office routes in the current network is provided in a spreadsheet labeled "Resp.POIR4.Q6b (Martin).xls" which is contained in Library Reference USPS-LR-N2012-1/65.

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7. Please refer to the Response of the United States Postal Service Witness Martin to PR/USPS-T6-12(d). Please elaborate in detail the statistical methodology used for selecting the plant-to-post office routes for evaluation.

RESPONSE:

No statistical methodology was used. Please refer to my response to NPMHU/USPS-T6-3.

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8. In response to PR/USPS-T6-4(c) about plant-to-plant transportation, witness Martin stated that “[d]ata and calculations on increases in trip length have not been finalized and I did not rely on such data in preparing my testimony for this docket.”
- a. Please provide an updated estimate of the percentage reduction in plant-to-plant transportation capacity that incorporates the expected increases in trip length from network rationalization.
 - b. Please provide a discussion of methodology and all supporting analyses.

RESPONSE:

- (a-b) Because the design of the rationalized transportation network is not yet complete, I am unable to provide an updated estimate of the percentage reduction in plant-to-plant transportation activity that incorporates the expected increases in trip length from network rationalization at this time. The Postal Service will update the record with this information within a reasonable time after the AMP decisions discussed in my response to Question 5(b) are announced.

RESPONSE OF UNITED STATES POSTAL SERVICE TO
PRESIDING OFFICER'S INFORMATION REQUEST No. 4, QUESTION 9,
REDIRECTED FROM WITNESS RACHEL

9. The response to NPMHU/USPS-T8-2 states "Workhour reductions can be achieved in a number of ways, including the reduction of full, part-time, or non-career employees, or through the reduction of workhours or overtime hours for these groups."
- a. Please confirm that the Business Management Guide (BMG) is used for complement and workhour planning.
 - b. Please describe, in detail, how BMG is used.
 - c. Is BMG used in the AMP process?
 - d. Did the Postal Service use BMG to estimate the impact of the network realignment assuming all candidate facilities were closed or consolidated? If so, please provide the results.
 - e. Please provide the latest edition of the BMG.

RESPONSE:

Business Management Guide (BMG) is no longer used by the Postal Service. When used for purposes of staffing and complement management, its utility did not meet functional requirements. BMG was not used for any purpose related to the Postal Service direct case in this docket. The Postal Service does not have and is accordingly unable to provide its latest edition.

RESPONSE OF UNITED STATES POSTAL SERVICE
WITNESS ELMORE-YALCH TO POIR No. 4, QUESTION 10

10. Please refer to the Response of United States Postal Service Witness Elmore-Yalch to POIR No. 1, question 18a. In the response, witness Elmore-Yalch indicates that data were not used if a respondent did not provide data for relevant time periods.

- a) Consider observation number 439003157 from “First-Class Mail_Consumers_FinalDataFile_USPS-LR-N2012-1_NP1.sav”, a portion of which is displayed in the table below.

qno	U1A_2012	U1B_A_2012	U1B_B_2012	U1B_C_2012
439003157	100	100	0	0
	U2A_2012	U2B_A_2012	U2B_B_2012	U2B_C_2012
	25	100	0	0
	U3A_2012	U3B_A_2012	U3B_B_2012	U3B_C_2012
	12	75	25	0
	TOTAL_FCM_2012_BEFORE			
	<i>missing</i>			

The above observation is one of several observations where the total mail volume is missing despite the presence of available data. Please explain why the Total First-Class Mail Volume is not provided for this observation.

- b) Consider observation number 439004464 from “First-Class Mail_Consumers_FinalDataFile_USPS-LR-N2012-1_NP1.sav”, a portion of which is displayed in the table below.

qno	U1A_2012	U1B_A_2012	U1B_B_2012	U1B_C_2012
439004464	40	80	10	10
	U2A_2012	U2B_A_2012	U2B_B_2012	U2B_C_2012
	100	<i>missing</i>	<i>missing</i>	<i>missing</i>
	U3A_2012	U3B_A_2012	U3B_B_2012	U3B_C_2012
	0	0	0	0
	TOTAL_FCM_2012_BEFORE			
	32			

The above observation is one of several observations where the Total First-Class Mail Volume is provided despite the presence of missing data. Please explain how these missing observations were handled.

- c) Please provide a general description all of the ways in which missing responses were handled in the calculation of volume

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forecasts from the following datasets: “First-Class Mail_Consumers_FinalDataFile_USPS-LR-N2012-1_NP1.sav”; “First-Class Mail_SmallHome_FinalDataFile_USPS-LR-N2012-1_NP1.sav”; and “First-Class Mail_LargeCommercial_FinalDataFile_USPS-LR-N2012-1_NP1.sav” located in USPS-LR-N2012-1/NP1.

RESPONSE:

(a) ORC International’s forecasts were based on computing a percentage change between time periods. Therefore, if a respondent provided application data for one time period but not others, her data for that application would be declared missing. That is, for inclusion in the analysis, respondents needed to provide data for an application for all three time periods (2011, 2012_Before, and 2012_After). This is necessary to ensure that the change between time periods is not attributable to different bases in the analysis.

For the example in part (a), this respondent provided data for 2011, and 2012_Before. However, when asked about volume if changes to First-Class Mail service standards were introduced (2012_After), the respondent said they did not know what their volume would be for U6A, U7A, and U8A, as shown below:

Case Summaries ^a												
	U6A-Earlier you said that you anticipate MAILING ... PAYMENTS in 2012. How many PAYMENTS do you anticipate MAILING USING THE U.S. POSTAL SERVICE in 2012 under the First- Class Mail service standards that I have described?	U6B_A - Assuming changes to First Class Mail are in place in 2012, how would your household make these PAYMENTS - % USPS First- Class Mail (Rescaled)	U6B_B - Assuming changes to First Class Mail are in place in 2012, how would your household make these PAYMENTS - % USPS Priority Mail (Rescaled)	U6B_C - Assuming changes to First Class Mail are in place in 2012, how would your household make these PAYMENTS - % USPS Express Mail (Rescaled)	U7A-How many INDIVIDUAL PIECES OF CORRESPON- DENCE do you anticipate MAILING USING THE U.S. POSTAL SERVICE in 2012 under the First- Class Mail service standards that I have described?	U7B_A - Assuming changes to First Class Mail are in place in 2012, how would your household send those pieces of CORRESPON- DENCE - % USPS First- Class Mail	U7B_B - Assuming changes to First Class Mail are in place in 2012, how would your household send those pieces of CORRESPON- DENCE - % USPS Priority Mail	U7B_C - Assuming changes to First Class Mail are in place in 2012, how would your household send those pieces of CORRESPON- DENCE - % USPS Express Mail	U8A-Earlier you said that you anticipate MAILING DOCUMENTS ... in 2012. How many DOCUMENTS do you anticipate MAILING USING THE U.S. POSTAL SERVICE in 2012 under the First- Class Mail service standards that I have described?	U8B_A - Assuming changes to First Class Mail are in place in 2012, how would your household send those DOCUMENTS - % USPS First-Class Mail	U8B_B - Assuming changes to First Class Mail are in place in 2012, how would your household send those DOCUMENTS - % USPS Priority Mail	U8B_C - Assuming changes to First Class Mail are in place in 2012, how would your household send those DOCUMENTS - % USPS Express Mail
1	Don't know	75	25	0	Don't know	.	.	.	Don't know	75	25	0
Total N		1	1	1					1	1	1	1

a. Limited to first 100 cases.

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(b) In this instance, the respondent provided responses for all three periods for payments as shown below.

Case Summaries ^a													
	U1A - Now think just about the PAYMENTS your household has MAILED USING THE U.S. POSTAL SERVICE. During the PAST 12 MONTHS, how many individual payments have you mailed using the U.S. Postal Service?	U1B_A - How did your household make these PAYMENTS - % USPS First-Class Mail	U1B_B - How did your household make these PAYMENTS - % USPS Priority Mail	U1B_C - How did your household make these PAYMENTS - % USPS Express Mail	U1A_2012 - In 2012, how many individual PAYMENTS do you ANTICIPATE MAILING using the U.S. Postal Service?	U1B_A_2012 - In 2012, how will your household make these PAYMENTS - % USPS First-Class Mail	U1B_B_2012 - In 2012, how will your household make these PAYMENTS - % USPS Priority Mail	U1B_C_2012 - In 2012, how will your household make these PAYMENTS - % USPS Express Mail	U6A-Earlier you said that you anticipate MAILING ... PAYMENTS in 2012. How many PAYMENTS do you anticipate MAILING USING THE U.S. POSTAL SERVICE in 2012 under the First-Class Mail service standards that I have described?	U6B_A - Assuming changes to First Class Mail are in place in 2012, how would your household make these PAYMENTS - % USPS First-Class Mail (Rescaled)	U6B_B - Assuming changes to First Class Mail are in place in 2012, how would your household make these PAYMENTS - % USPS Priority Mail (Rescaled)	U6B_C - Assuming changes to First Class Mail are in place in 2012, how would your household make these PAYMENTS - % USPS Express Mail (Rescaled)	
1	40	80	10	10	40	80	10	10	40	80	10	10	
Total N	1	1	1	1	1	1	1	1	1	1	1	1	1

a. Limited to first 100 cases.

On the other hand, data for the documents and correspondence questions were incomplete as shown below:

Case Summaries ^a													
	U3A - Now think just about the DOCUMENTS such as reports, contracts, policies, legal papers, etc. your household MAILED USING THE U.S. POSTAL SERVICE. During the PAST 12 MONTHS, how many documents have you MAILED?	U3B_A - How did your household send those DOCUMENTS - % USPS First-Class Mail	U3B_B - How did your household send those DOCUMENTS - % USPS Priority Mail	U3B_C - How did your household send those DOCUMENTS - % USPS Express Mail	U3A_2012-In 2012, how many individual DOCUMENTS do you anticipate mailing using the U.S. Postal Service?	U3B_A_2012 - In 2012, how will your household send those DOCUMENTS - % USPS First-Class Mail	U3B_B_2012 - In 2012, how will your household send those DOCUMENTS - % USPS Priority Mail	U3B_C_2012 - In 2012, how will your household send those DOCUMENTS - % USPS Express Mail	U7A-How many INDIVIDUAL PIECES OF CORRESPONDENCE do you anticipate MAILING USING THE U.S. POSTAL SERVICE in 2012 under the First-Class Mail service standards that I have described?	U7B_A - Assuming changes to First Class Mail are in place in 2012, how would your household send those pieces of CORRESPONDENCE - % USPS First-Class Mail	U7B_B - Assuming changes to First Class Mail are in place in 2012, how would your household send those pieces of CORRESPONDENCE - % USPS Priority Mail	U7B_C - Assuming changes to First Class Mail are in place in 2012, how would your household send those pieces of CORRESPONDENCE - % USPS Express Mail	
1	0	0	0	0	0	0	0	0	100	.	.	.	
Total N	1	1	1	1	1	1	1	1	1	1	1	1	1

a. Limited to first 100 cases.

Case Summaries ^a													
	U2A-Now think just about the CORRESPONDENCE such as cards and letters your household has MAILED USING THE U.S. POSTAL SERVICE. During the PAST 12 MONTHS, how many individual pieces of correspondence have you MAILED?	U2B_A - How did your household send those pieces of CORRESPONDENCE - % USPS First-Class Mail	U2B_B - How did your household send those pieces of CORRESPONDENCE - % USPS Priority Mail	U2B_C - How did your household send those pieces of CORRESPONDENCE - % USPS Express Mail	U2A_2012-In 2012, how many individual pieces of CORRESPONDENCE do you anticipate mailing using the U.S. Postal Service ?	U2B_A_2012 - In 2012, how will your household send those pieces of CORRESPONDENCE - % USPS First-Class Mail	U2B_B_2012 - In 2012, how will your household send those pieces of CORRESPONDENCE - % USPS Priority Mail	U2B_C_2012 - In 2012, how will your household send those pieces of CORRESPONDENCE - % USPS Express Mail	U8A-Earlier you said that you anticipate MAILING DOCUMENTS ... in 2012. How many DOCUMENTS do you anticipate MAILING USING THE U.S. POSTAL SERVICE in 2012 under the First-Class Mail service standards that I have described?	U8B_A - Assuming changes to First Class Mail are in place in 2012, how would your household send those DOCUMENTS - % USPS First-Class Mail	U8B_B - Assuming changes to First Class Mail are in place in 2012, how would your household send those DOCUMENTS - % USPS Priority Mail	U8B_C - Assuming changes to First Class Mail are in place in 2012, how would your household send those DOCUMENTS - % USPS Express Mail	
1	60	.	.	.	100	.	.	.	0	0	0	0	
Total N	1	1	1	1	1	1	1	1	1	1	1	1	1

a. Limited to first 100 cases.

Therefore, the complete data for payments were used in the analysis and the incomplete data for documents and correspondence were declared missing.

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(c) In summary, if a respondent provided complete responses (volume and distribution across products) for one or more applications across all three time periods, we used the data for those applications.